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Reinsurance

Lexington announces contingent property reinsurance cover from Berkshire Hathaway

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Lexington Insurance Company, a subsidiary of American International Group, has announced that effective September 15, 2008 it has arranged a contingent property reinsurance cover from Berkshire Hathaway's National Indemnity Company for Lexington's real estate portfolio, as well as policies having limits of \$250 million or greater, policies with home/foreign exposure and the property sections of most of Lexington's homeowners book.

The reinsurance provides coverage under the same policy terms and conditions as issued by Lexington. In the event of a covered loss, Berkshire stands behind Lexington. George Stratts, executive vice president of Lexington and head of its property division, said: "With \$4.8 billion in policyholder surplus and 'A' or higher financial strength ratings from the relevant rating agencies, Lexington is the largest US-based surplus lines insurer. This enhances Lexington's value to its policyholders."

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